

STATE OF INDIANA

COUNTY OF LAKE

STATE OF INDIANA,

Plaintiff,

v.

REASONS MEDICAL, INC., and
J. SCOTT O'KELLEY

Defendants.

FILED IN
CLERK'S OFFICE
IN THE LAKE CIRCUIT/SUPERIOR COURT
SS:
JAN 31 11 18 27
CAUSE NO. 45D110691PL00012

THOMAS R. PHILLIP
CLERK LAKE SUPERIOR COURT

**VERIFIED COMPLAINT FOR INJUNCTION,
RESTITUTION, COSTS, AND CIVIL PENALTIES**

The Plaintiff, State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Terry Tolliver, petitions the Court pursuant to the Indiana Deceptive Consumer Sales Act, Indiana Code § 24-5-0.5-1, *et seq.*, for injunctive relief, consumer restitution, costs, civil penalties, and other relief.

PARTIES

1. The Plaintiff, State of Indiana, is authorized to bring this action and to seek injunctive and other statutory relief pursuant to Ind. Code § 24-5.0.5-4(c).

2. The Defendant, Reasons Medical, Inc., is a for-profit domestic corporation with a principal place of business in Lake County, located at 435 East 3rd Street, Hobart, Indiana, 46342, and transacts business with consumers.

3. The Defendant, J. Scott O'Kelley, is an individual doing business as Reasons Medical, Inc., with a principal place of business in Lake County, located at 435 East 3rd Street, Hobart, Indiana, 46342, and transacts business with consumers.

FACTS

A. Allegations Related to the Consumer transactions:

4. At least since April 5, 2002, the Defendants have represented they would sell medical supplies to consumers.

5. Based upon these representations, the following consumers purchased medical supplies from the Defendants via the Internet on the following dates for the following amounts:

a)	Deborah Jucha	September 15, 2005	\$145.90
b)	Sheli Baker	December 2, 2005	\$156.85
c)	Christopher Askew	December 7, 2005	\$44.07
d)	Samuel Jordan	December 10, 2005	\$149.85
e)	Lisa Vgolini	August 16, 2005	\$146.90
f)	John Bartlett	September 17, 2005	\$82.90
g)	Deanne Williams	July 23, 2005	\$165.80
h)	Michelle Bolger	August 15, 2005	\$82.90
i)	Mackenzie Leu	September 7, 2005	\$59.95
j)	Kyla Sears	August 10, 2005	\$51.85
k)	Heather Eggert	August 1, 2005	\$72.90
l)	Annmarie D'Angelo	July 26, 2005	\$146.90

STATE OF INDIANA

COUNTY OF LAKE

STATE OF INDIANA,

Plaintiff,

v.

REASONS MEDICAL, INC., and
J. SCOTT O'KELLEY

Defendants.

FILED IN
CLERK'S OFFICE
IN THE LAKE CIRCUIT/SUPERIOR COURT
SS:
JAN 31 2006
CAUSE NO. 45D110601PL00012

THOMAS R. PHILLIP
CLERK LAKE SUPERIOR COURT

**VERIFIED COMPLAINT FOR INJUNCTION,
RESTITUTION, COSTS, AND CIVIL PENALTIES**

The Plaintiff, State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Terry Tolliver, petitions the Court pursuant to the Indiana Deceptive Consumer Sales Act, Indiana Code § 24-5-0.5-1, *et seq.*, for injunctive relief, consumer restitution, costs, civil penalties, and other relief.

PARTIES

1. The Plaintiff, State of Indiana, is authorized to bring this action and to seek injunctive and other statutory relief pursuant to Ind. Code § 24-5.0.5-4(c).

2. The Defendant, Reasons Medical, Inc., is a for-profit domestic corporation with a principal place of business in Lake County, located at 435 East 3rd Street, Hobart, Indiana, 46342, and transacts business with consumers.

3. The Defendant, J. Scott O'Kelley, is an individual doing business as Reasons Medical, Inc., with a principal place of business in Lake County, located at 435 East 3rd Street, Hobart, Indiana, 46342, and transacts business with consumers.

FACTS

A. Allegations Related to the Consumer transactions:

4. At least since April 5, 2002, the Defendants have represented they would sell medical supplies to consumers.

5. Based upon these representations, the following consumers purchased medical supplies from the Defendants via the Internet on the following dates for the following amounts:

a)	Deborah Jucha	September 15, 2005	\$145.90
b)	Sheli Baker	December 2, 2005	\$156.85
c)	Christopher Askew	December 7, 2005	\$44.07
d)	Samuel Jordan	December 10, 2005	\$149.85
e)	Lisa Vgolini	August 16, 2005	\$146.90
f)	John Bartlett	September 17, 2005	\$82.90
g)	Deanne Williams	July 23, 2005	\$165.80
h)	Michelle Bolger	August 15, 2005	\$82.90
i)	Mackenzie Leu	September 7, 2005	\$59.95
j)	Kyla Sears	August 10, 2005	\$51.85
k)	Heather Eggert	August 1, 2005	\$72.90
l)	Annmarie D'Angelo	July 26, 2005	\$146.90

STATE OF INDIANA

COUNTY OF LAKE

STATE OF INDIANA,

Plaintiff,

v.

REASONS MEDICAL, INC., and
J. SCOTT O'KELLEY

Defendants.

FILED IN
CLERK'S OFFICE
IN THE LAKE CIRCUIT/SUPERIOR COURT
SS:
JAN 31 2006
CAUSE NO. 45D110601PL00012

THOMAS H. FINLIOT
CLERK LAKE SUPERIOR COURT

**VERIFIED COMPLAINT FOR INJUNCTION,
RESTITUTION, COSTS, AND CIVIL PENALTIES**

The Plaintiff, State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Terry Tolliver, petitions the Court pursuant to the Indiana Deceptive Consumer Sales Act, Indiana Code § 24-5-0.5-1, *et seq.*, for injunctive relief, consumer restitution, costs, civil penalties, and other relief.

PARTIES

1. The Plaintiff, State of Indiana, is authorized to bring this action and to seek injunctive and other statutory relief pursuant to Ind. Code § 24-5.0.5-4(c).

2. The Defendant, Reasons Medical, Inc., is a for-profit domestic corporation with a principal place of business in Lake County, located at 435 East 3rd Street, Hobart, Indiana, 46342, and transacts business with consumers.

3. The Defendant, J. Scott O'Kelley, is an individual doing business as Reasons Medical, Inc., with a principal place of business in Lake County, located at 435 East 3rd Street, Hobart, Indiana, 46342, and transacts business with consumers.

FACTS

A. Allegations Related to the Consumer transactions:

4. At least since April 5, 2002, the Defendants have represented they would sell medical supplies to consumers.

5. Based upon these representations, the following consumers purchased medical supplies from the Defendants via the Internet on the following dates for the following amounts:

a)	Deborah Jucha	September 15, 2005	\$145.90
b)	Sheli Baker	December 2, 2005	\$156.85
c)	Christopher Askew	December 7, 2005	\$44.07
d)	Samuel Jordan	December 10, 2005	\$149.85
e)	Lisa Vgolini	August 16, 2005	\$146.90
f)	John Bartlett	September 17, 2005	\$82.90
g)	Deanne Williams	July 23, 2005	\$165.80
h)	Michelle Bolger	August 15, 2005	\$82.90
i)	Mackenzie Leu	September 7, 2005	\$59.95
j)	Kyla Sears	August 10, 2005	\$51.85
k)	Heather Eggert	August 1, 2005	\$72.90
l)	Annmarie D'Angelo	July 26, 2005	\$146.90

m)	Dana Bumtsed	September 4, 2005	\$59.35
n)	Mark Pritsch	September 3, 2005	\$174.85
o)	Chau Hoang	July 26, 2005	\$174.85
p)	Megan Lehr	August 23, 2005	\$132.90
q)	Sandra Skeen	August 22, 2005	\$60.00
r)	Krista Varady	July 28, 2005	\$130.00
s)	Lori Ames	June 1, 2005	\$156.85
t)	Paul Amato	July 23, 2005	\$131.90
u)	Anna Christison	June 13, 2005	\$154.90
v)	Donna Nodar	August 8, 2005	\$146.90
w)	Mary Kiefer	July 26, 2005	\$147.00
x)	Jillian Morse	July 22, 2005	\$130.00
y)	Jon Sundean	April 18, 2005	\$148.00
z)	Amber Frizzell	May 11, 2005	\$141.85
aa)	Pamela Blanding	April 18, 2005	\$156.00
bb)	Michael Bradley	March 13, 2005	\$164.95
cc)	Miranda Hall	March 22, 2005	\$75.90
dd)	Laura Randolph	August 22, 2005	\$68.00
ee)	Hailee Dunning	August 22, 2005	\$145.90
ff)	Jessica Tritz	September 8, 2005	\$68.90
gg)	Heidi Sterrett	August 18, 2005	\$152.85

hh)	David Rosado	October 6, 2005	\$32.55
ii)	Juan Garcia	March 17, 2005	\$98.00
jj)	Jennifer Stanczyk	January 12, 2005	\$140.00
kk)	Kelly Johnson	November 2004	\$66.90
ll)	Robert Meringolo	September 2004	\$144.90
mm)	Jody Childress	March 11, 2005	\$74.85
nn)	Joanne Ferri	September 2004	\$144.90
oo)	Patricia Rosati	March 3, 2005	\$49.99
pp)	John Marshall	December 4, 2004	\$141.80
qq)	Will Southern	December 1, 2004	\$128.90
rr)	Elizabeth Yeater	November 23, 2004	\$44.85
ss)	Joseph Porter	August 2, 2004	\$138.85
tt)	Daniel Acton	June 24, 2005	\$92.00
uu)	Michelle Davidson	August 16, 2005	\$47.90
vv)	Caroline Goss	August 27, 2005	\$156.85
ww)	Natalie Klinge	September 24, 2005	\$143.85
xx)	Melinda Morgan	October 17, 2005	\$156.85
yy)	William Blaine Kunz	November 9, 2005	\$68.90
zz)	Annette Higgins	November 29, 2005	\$372.25
aaa)	Linda Mitchell	December 12, 2005	\$85.84
bbb)	Donna Gorman	December 7, 2005	\$143.85

ccc)	JoAnn West	May 2, 2005	\$156.85
ddd)	Edward Nakamoto	March 16, 2005	\$66.90
eee)	Loralyn Colosi	December 18, 2003	\$118.95
fff)	Sue Senator	November 14, 2003	\$75.90
ggg)	Rita Mark	September 19, 2005	\$156.85
hhh)	Dennis Austria	October 18, 2005	\$145.90

6. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of sale they would ship the items to the consumers within a reasonable period of time, or otherwise offer a refund.

7. As of today, the consumers identified in paragraph 5 above have yet to either receive the item or a refund.

COUNT I – VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT

8. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs 1 through 7 above.

9. The transactions referred to in paragraph 5 are “consumer transactions” as defined by Ind. Code § 24-5-0.5-2(a)(1).

10. The Defendants are “suppliers” as defined by Ind. Code § 24-5-0.5-2(a)(3).

11. The Defendants’ representation to consumers the consumer transactions had sponsorship, approval, performance, characteristics, accessories, uses, or benefits the Defendants knew or reasonably should have known the transactions did not have, including but not limited to the Defendants’ representations the consumers would receive the medical supplies, as referenced in paragraphs 4 and 5, are violations of the Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(1).

12. The Defendants' representations to consumers the Defendants would deliver the medical supplies, or otherwise complete the subject matter of the consumer transaction within a reasonable period of time, when the Defendants knew or reasonably should have known they would not, as referenced in paragraph 6, is violations of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(10).

13. The Defendants' representations to consumers the consumers would be able to purchase the medical supplies as advertised by the Defendants, when the Defendants did not intend to sell them as such, as referenced in paragraph 6, is a violation of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(11).

**COUNT II – KNOWING AND INTENTIONAL VIOLATIONS OF
THE DECEPTIVE CONSUMER SALES ACT**

14. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs 1 through 13 above.

15. The misrepresentations and deceptive acts set forth in paragraphs 5 and 6 were committed by the Defendants with knowledge and intent to deceive.

RELIEF

WHEREFORE, the Plaintiff, State of Indiana, requests the Court enter judgment against the Defendants, Reasons Medical, Inc. and J. Scott Kelley, for a permanent injunction pursuant to Ind. Code § 24-5-0.5-4(c)(1), enjoining the Defendants from the following:

- a. representing expressly or by implication the subject of a consumer transaction has sponsorship, approval, characteristics, accessories, uses, or benefits it does not have which the Defendants know or reasonably should know it does not have;

- b. representing expressly or by implication the Defendants are able to deliver or complete the subject of a consumer transaction within a reasonable period of time, when the Defendants know or reasonably should know they cannot or will not; and
- c. representing expressly or by implication the consumer will be able to purchase the subject of a consumer transaction as advertised by the Defendants, if the Defendants do not intend to sell it.

AND WHEREFORE, the Plaintiff, State of Indiana, further requests the Court enter judgment against the Defendants, J. Scott Kelley and Reasons Medical, Inc., for the following relief:


- a. cancellation of the Defendants' unlawful contracts with all consumers, including but not limited to the persons identified in paragraph 5, pursuant to Ind. Code § 24-5-0.5-4(d).
- b. consumer restitution pursuant to Ind. Code § 24-5-0.5-4(c)(2), for reimbursement of all unlawfully obtained funds remitted by consumers for the purchase of items from the Defendants, including but not limited to the persons identified in paragraph 5, in an amount to be determined at trial;
- c. costs pursuant to Ind. Code § 24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action;

- d. on Count II of the Plaintiff's complaint, civil penalties pursuant to Ind. Code § 24-5-0.5-4(g) for the Defendants' knowing violations of the Deceptive Consumer Sales Act, in the amount of Five Thousand Dollars (\$5,000.00) per violation, payable to the State of Indiana;
- e. on Count II of the Plaintiff's complaint, civil penalties pursuant to Ind. Code § 24-5-0.5-8 for the Defendants' intentional violations of the Deceptive Consumer Sales Act, in the amount of Five Hundred Dollars (\$500.00) per violation, payable to the State of Indiana; and
- f. all other just and proper relief.

Respectfully submitted,


STEVE CARTER
Indiana Attorney General
Atty. No. 4150-64

By:



Terry Tolliver
Deputy Attorney General
Atty. No. 22556-49

I AFFIRM UNDER PENALTIES OF PERJURY THAT THE FOREGOING REPRESENTATIONS ARE TRUE.



Terry Tolliver
Deputy Attorney General

Office of Attorney General
Indiana Government Center South
302 W. Washington Street, 5th Floor
Indianapolis, IN 46204
Telephone: (317) 233-3300